

# 12 GST and other taxes

## CHAPTER 12

### OVERVIEW

For the 2010–11 financial year:

- total net goods and services tax (GST) liabilities (including Customs collections) were \$46 billion, an increase of 2.4% from 2009–10
- wine equalisation tax (WET) liabilities (including Customs collections) were \$740 million, an increase of 0.1% from 2009–10
- luxury car tax (LCT) liabilities (including Customs collections) were \$479 million, a decrease of 0.7% from 2009–10.

### INTRODUCTION

This chapter provides a general description of the GST, WET and LCT. It reports liabilities incurred for the 2009–10 and 2010–11 financial years, as reported on business activity statements and other forms.

GST is a tax of 10% on the supply of most goods and services and other taxable supplies (for example, real property and rights) in Australia, including goods that are imported. In most cases, GST does not apply to exports of goods or services, or other items consumed outside Australia.

GST is administered by the ATO on behalf of the Australian Government, and is appropriated to the states and territories. The Australian Government funds the ATO to administer the GST, and is reimbursed by the states and territories. The Australian Customs Service (Customs) collects GST on taxable importations that are not subject to the deferred GST scheme.

### NEW FEATURES AND INFORMATION

Statistics for this chapter may have been affected by some changes to the taxation of financial arrangements (TOFA).

### GST LIABILITIES

#### Box 12.1 Calculating net GST liabilities

Net GST is calculated as:

	Gross GST payable
add	Deferred GST payments on imports
less	Input tax credits
<b><i>gives</i></b>	<b><i>Net GST<sup>1</sup></i></b>

If net GST is more than \$0, the net difference is payable to the ATO.

If net GST is less than \$0, the net difference can be claimed as a refund.

1 For taxation statistics purposes, the net GST reported is the total GST liability – that is, net amounts of GST on the activity statement (GST – input tax credits) plus deferred GST payments on imports.

2 The net amount of GST on the activity statement can also be affected by increasing and decreasing adjustments.

For the 2010–11 financial year, net GST liabilities totalled \$46 billion, an increase of 2.4% from 2009–10. The wholesale industry remained the major contributor to GST liabilities in 2010–11 with \$12.5 billion, accounting for 27.2% of total net GST liabilities.

**Table 12.1** Net GST liabilities<sup>1</sup>, by industry, 2009–10 and 2010–11 financial years

Industry <sup>3</sup>	No.	2009–10 <sup>2</sup> \$m	No.	2010–11 <sup>2</sup> \$m
Agriculture, forestry and fishing	181,306	–136	172,677	268
Mining	7,143	–4,810	6,920	–6,992
Manufacturing	85,915	6,994	82,143	6,516
Electricity, gas, water and waste services	5,332	545	5,135	1,049
Construction	322,151	6,339	310,141	6,507
Wholesale trade	71,672	11,851	68,562	12,496
Retail trade	133,607	3,233	127,197	3,659
Accommodation and food services	76,950	2,911	73,268	3,158
Transport, postal and warehousing	125,720	2,381	118,464	3,118
Information media and telecommunications	16,497	2,683	15,970	2,701
Financial and insurance services	125,459	5,825	123,740	5,892
Rental, hiring and real estate services	198,225	3,776	192,161	4,043
Professional, scientific and technical services	220,194	7,795	213,080	8,474
Administration and support services	70,005	3,000	66,791	3,365
Public administration and safety	9,612	–10,512	9,317	–10,609
Education and training	32,191	–54	31,299	–51
Health care and social assistance	93,105	–2,074	92,484	–1,941
Arts and recreational services	29,812	750	28,704	758
Other services	109,725	1,622	105,764	1,757
Other <sup>4</sup>	13,332	26	89,996	–1,098
<b>ATO GST liabilities</b>	<b>1,927,953</b>	<b>42,146</b>	<b>1,933,633</b>	<b>43,071</b>
Customs collections <sup>5</sup>		2,764		2,936
<b>Total net GST</b>		<b>44,910</b>		<b>46,007</b>

1 Excludes penalties and interest on overpayments.

2 Data for the 2009–10 and 2010–11 financial years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

3 The industry groups are classified based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 codes on the Australian Business Register.

4 Includes entities that did not state their industry and 'ATO use only' codes.

5 The Australian Customs Service collects GST on taxable importations that are not subject to the deferred GST scheme.

The total number of entities with net GST liabilities increased from 2009–10 to 2010–11 by 0.3%. The value of net GST liabilities increased by 2.2% over the same period.

Net GST refunds increased by 9.4% in 2010–11. The range with the largest increase in total net refunds was the 'Refunds of \$10,000,000 or more' category. The value of refunds in this category increased by 14.4% or \$3.5 billion from 2009–10.

**Table 12.2** Net GST liabilities/refunds<sup>1</sup>, by amount, 2009–10 and 2010–11 financial years

Net liability/refund amount	No.	2009–10 <sup>2</sup> \$m	No.	2010–11 <sup>2</sup> \$m
Refund of \$10,000,000 or more	503	–24,309	527	–27,820
Refund between \$5,000,000 and \$9,999,999	349	–2,457	380	–2,691
Refund between \$1,000,000 and \$4,999,999	1,816	–3,952	1,882	–3,962
Refund between \$500,000 and \$999,999	1,984	–1,376	2,120	–1,454
Refund between \$100,000 and \$499,999	16,804	–3,479	16,892	–3,503
Refund between \$10,000 and \$99,999	100,878	–3,006	97,872	–2,940
Refund between \$1 and \$9,999	416,203	–903	392,521	–839
<b>Total refunds</b>	<b>538,537</b>	<b>–39,481</b>	<b>512,194</b>	<b>–43,208</b>
Liability between \$0 and \$9,999	874,347	3,199	868,016	3,246
Liability between \$10,000 and \$99,999	447,668	12,766	481,508	13,791
Liability between \$100,000 and \$499,999	54,068	10,851	57,864	11,639
Liability between \$500,000 and \$999,999	6,523	4,519	6,926	4,803
Liability between \$1,000,000 and \$4,999,999	5,235	10,788	5,531	11,365
Liability between \$5,000,000 and \$9,999,999	758	5,250	756	5,213
Liability of \$10,000,000 or more	817	34,254	838	36,221
<b>Total liabilities</b>	<b>1,389,416</b>	<b>81,627</b>	<b>1,421,439</b>	<b>86,279</b>
<b>ATO GST liabilities</b>	<b>1,927,953</b>	<b>42,146</b>	<b>1,933,633</b>	<b>43,071</b>
Customs collections <sup>3</sup>		2,764		2,936
<b>Total net GST</b>		<b>44,910</b>		<b>46,007</b>

1 Excludes penalties and interest on overpayments.

2 Data for the 2009–10 and 2010–11 financial years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

3 The Australian Customs Service collects GST on taxable importations that are not subject to the deferred GST scheme.

## INPUT TAX CREDITS

An input tax credit is an amount a registered entity is entitled to claim to offset the GST paid on inputs the entity acquires to use in its enterprise. However, if a registered entity makes an acquisition for private use and/or to make input-taxed supplies, it cannot claim an input tax credit. Reduced input tax credits are available for certain acquisitions relating to input-taxed financial supplies.

For the 2010–11 financial year, the wholesale trade industry recorded the largest input tax credit claims of \$34 billion, accounting for 15.7% of all industry claims. They also recorded the largest deferred GST payments on imports at \$9.7 billion, accounting for 48.4% of all industry deferred payments.

**Table 12.3** GST, input tax credits and deferred GST liabilities<sup>1</sup>, on imports, by industry, 2010–11 financial year<sup>2</sup>

Industry <sup>3</sup>	No.	Gross GST payable \$m	Input tax credits \$m	Deferred GST payments on imports \$m	Net GST \$m
Agriculture, forestry and fishing	172,677	5,869	5,630	28	268
Mining	6,920	5,430	12,957	535	–6,992
Manufacturing	82,143	24,844	22,560	4,232	6,516
Electricity, gas, water and waste services	5,135	8,121	7,169	97	1,049
Construction	310,141	24,553	18,509	463	6,507
Wholesale trade	68,562	36,800	34,026	9,722	12,496
Retail trade	127,197	27,554	25,087	1,192	3,659
Accommodation and food services	73,268	6,480	3,325	4	3,158
Transport, postal and warehousing	118,464	11,437	9,179	860	3,118
Information media and telecommunications	15,790	6,926	4,378	153	2,701
Financial and insurance services	123,740	25,246	20,476	1,123	5,892
Rental, hiring and real estate services	192,161	9,893	5,943	94	4,043
Professional, scientific and technical services	213,080	19,974	12,036	536	8,474
Administration and support services	66,791	6,748	3,429	47	3,365
Public administration and safety	9,317	3,863	15,135	663	–10,609
Education and training	31,299	2,374	2,485	61	–51
Health care and social assistance	92,484	2,951	4,916	24	–1,941
Arts and recreational services	28,704	2,126	1,381	13	758
Other services	105,764	5,318	3,636	75	1,757
Other <sup>4</sup>	89,996	3,216	4,480	166	–1,098
<b>ATO GST liabilities</b>	<b>1,933,633</b>	<b>239,723</b>	<b>216,738</b>	<b>20,087</b>	<b>43,071</b>
Customs collections <sup>5</sup>					2,936
<b>Total</b>					<b>46,007</b>

1 Excludes penalties and interest on overpayments.

2 Data for the 2010–11 financial year includes data processed up to 31 October 2011.

3 The industry groups are classified based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 codes on the Australian Business Register.

4 Includes entities that did not state their industry and 'ATO use only' codes.

5 The Australian Customs Service collects GST on taxable importations that are not subject to the deferred GST scheme.

## WINE EQUALISATION TAX

From 1 July 2000, sales tax on wine was replaced with the GST and wine equalisation tax (WET). The WET rate is 29% of the wholesale sale value and was designed to ensure that, following the introduction of the GST and removal of sales tax, the price of wine remained stable.

Wine producers are entitled to a rebate under the producer rebate scheme, which came into effect on 1 October 2004. The producer rebate entitles producers to a rebate of 29% of the wholesale value of domestic wine sales and applications to own use. The current maximum rebate of \$500,000 each financial year commenced on 1 July 2006.

For the 2010–11 financial year, the net WET liabilities increased by 0.1% from 2009–10.

**Table 12.4** WET liabilities, 2009–10 and 2010–11 financial years

	2009–10 <sup>1</sup>			2010–11 <sup>1</sup>		
	WET payable	WET refund	Net WET	WET payable	WET refund	Net WET
Net WET paid Ranges	\$m	\$m	\$m	\$m	\$m	\$m
Less than \$100,000	115	205	–91	118	216	–99
\$100,000–\$499,999	34	11	24	38	11	27
\$500,000–\$999,999	27	3	24	31	4	27
\$1,000,000–\$4,999,999	109	5	104	94	5	89
\$5,000,000 or more	672	13	658	688	16	673
<b>ATO WET liabilities</b>	<b>957</b>	<b>237</b>	<b>720</b>	<b>970</b>	<b>252</b>	<b>718</b>
Customs collections <sup>2</sup>			19			22
<b>Total<sup>3</sup></b>			<b>739</b>			<b>740</b>

1 Data for the 2009–10 and 2010–11 financial years includes processed liabilities at 31 October 2010 and 31 October 2011 respectively, by amount sent to the ATO. These liabilities do not include the New Zealand wine producer rebate.

2 The Australian Customs Service collects wine equalisation tax on taxable importations.

3 Totals may differ from the sum of the components due to rounding.

Effective from 1 July 2005, producers of wine made in New Zealand who are approved as New Zealand participants are also able to claim the producer rebate on the wine they have produced and sold in Australia where WET has been paid on that sale.

**Table 12.5** New Zealand wine producer rebate, 2009–10 and 2010–11 financial years

	2009–10 <sup>1</sup>		2010–11 <sup>1</sup>
No.2	\$m	No.2	\$m
181	19	200	21

1 Data for the 2009–10 and 2010–11 financial years refers to the year rebates are claimed and includes data processed as at 4 November 2011.

2 The number of participants that received the rebate

## LUXURY CAR TAX

From 1 July 2000, sales tax on luxury cars was replaced by GST and luxury car tax (LCT). Like the WET, LCT was designed to maintain price relativities. It ensured that the price of luxury cars fell by about the same amount as the price of cars just under the LCT threshold following the removal of sales tax and the introduction of GST.

For the 2010–11 financial year, the LCT rate was 33%. The tax applies to vehicles with a GST-inclusive value above the LCT threshold. In 2010–11, the threshold was \$75,375 for fuel-efficient cars and \$57,466 for other cars.

Primary producers can claim a refund of up to \$3,000 for one eligible car purchased or leased in a financial year. Tourism operators can claim a refund of up to \$3,000 for each eligible car purchased or leased in a financial year.

During the 2010–11 financial year, there was a 0.7% decrease in total LCT liabilities.

**Table 12.6** LCT liabilities, 2009–10 and 2010–11 financial years

Amount paid	2009–10 <sup>1</sup>		2010–11 <sup>1</sup>	
	\$m	%	\$m	%
Less than \$100,000	9	1.9	9	1.8
\$100,000–\$499,999	53	11.0	48	10.2
\$500,000–\$999,999	33	6.9	27	5.7
\$1,000,000–\$4,999,999	164	34.2	151	31.9
\$5,000,000 or more	220	46.0	239	50.4
<b>ATO LCT liabilities</b>	<b>479</b>	<b>100.0</b>	<b>475</b>	<b>100.0</b>
Customs collections <sup>2</sup>	3		4	
<b>Total<sup>3</sup></b>	<b>482</b>		<b>479</b>	

<sup>1</sup> Data for the 2009–10 and 2010–11 financial years includes processed liabilities at 31 October 2010 and 31 October 2011 respectively, by amount sent to the ATO.

<sup>2</sup> The Australian Customs Service collects luxury car tax on taxable importations.

<sup>3</sup> Totals may differ from the sum of the components due to rounding.

## SOURCE OF GST AND OTHER TAXES STATISTICS

The statistics in this chapter are sourced from 2010 and 2011 GST, WET and LCT liabilities reported on business activity statements, GST annual returns and information reports as at 31 October 2010 and 31 October 2011 respectively. The Customs collection statistics in this chapter are provided by the Australian Customs Service.

A copy of the *Business activity statement* is in the appendix. You can view or download it in PDF file format from the attached CD-ROM or from the online version of *Taxation statistics* on our website at [www.ato.gov.au](http://www.ato.gov.au)

## GST AND OTHER TAXES CHAPTER TABLES

The GST and other taxes chapter tables are now on the attached CD-ROM and included in the online version of this publication on our website. You can now view or download all the chapter tables in Excel.

## LIST OF GST AND OTHER TAXES DETAILED TABLES

The following detailed table is on the attached CD-ROM and included in the online version of this publication on our website. You can view or download the detailed table in PDF or Excel format.

**Table 1** Selected GST, WET and LCT items, 2000–01 to 2010–11 financial years

This table shows selected GST, WET and LCT items for the 2000–01 to 2010–11 financial years.